

PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

DOMENIC J. F. RUSSO, *Chairman*

JOSEPH E. CONNARTON, *Executive Director*

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MEMORANDUM

TO: Springfield Retirement Board

FROM: Joseph E. Connarton, Executive Director

RE: Approval of Funding Schedule

DATE: May 23, 2014

This Commission is hereby furnishing you with approval of the revised funding schedule you recently adopted (copy enclosed). The schedule assumes payments are made on July 1 of each fiscal year. The schedule is effective in FY15 (since the amount under the prior schedule was maintained in FY15) and is acceptable under Chapter 32.

In addition to adopting this schedule, the Board also voted that the required appropriations determined for the next five fiscal years (FY16-FY20) under any subsequently adopted schedule, be at least equal to those shown under this schedule.

If you have any questions, please contact PERAC's Actuary, Jim Lamenza, at (617) 666-4446, extension 921.

Enc.



Springfield Retirement System January 1, 2014 Actuarial Valuation

Total Appropriation increases 6% until FY18 then 8% until FY23 then 7% until FY33 then 6.5% until FY34

<u>Fiscal Year</u>	<u>Normal Cost</u>	<u>Net 3(8)(c)</u>	<u>Amort of 2002 ERI</u>	<u>Amort of 2003 ERI</u>	<u>Amort of (2002) Special ERI</u>	<u>Amort. of UAL</u>	<u>Total Cost</u>	<u>Unfunded Act. Liab.</u>	<u>Change in Cost</u>
2015	6,272,232	700,000	1,613,044	818,326	91,179	35,514,755	45,009,537	759,833,448	
2016	6,523,122	700,000	1,685,631	855,151		37,946,196	47,710,100	778,637,590	6.0%
2017	6,784,047	700,000	1,761,484	893,633		40,433,536	50,572,700	796,279,972	6.0%
2018	7,055,408	700,000	1,840,751	933,846		43,077,094	53,607,100	812,505,135	6.0%
2019	7,337,625	700,000	1,923,585	975,869		46,958,621	57,895,700	827,027,402	8.0%
2020	7,631,130	700,000	2,010,146	1,019,784		51,166,340	62,527,400	838,371,412	8.0%
2021	7,936,375	700,000	2,100,603	1,065,674		55,726,948	67,529,600	845,928,934	8.0%
2022	8,253,830	700,000	2,195,130	1,113,629		60,669,411	72,932,000	849,014,771	8.0%
2023	8,583,983	700,000	2,293,911	1,163,742		66,024,964	78,766,600	846,858,233	8.0%
2024	8,927,342	700,000	2,397,137	1,216,111		71,039,710	84,280,300	838,593,946	7.0%
2025	9,284,436	700,000	2,505,008	1,270,836		76,419,620	90,179,900	824,101,341	7.0%
2026	9,655,814	700,000	2,617,733	1,328,023		82,190,930	96,492,500	802,488,465	7.0%
2027	10,042,046	700,000	2,735,531	1,387,785		88,381,638	103,247,000	772,764,481	7.0%
2028	10,443,728	700,000	2,858,630	1,450,235		95,021,707	110,474,300	733,829,965	7.0%
2029	10,861,477	700,000				106,646,023	118,207,500	684,466,220	7.0%
2030	11,295,936	700,000				114,486,064	126,482,000	623,323,538	7.0%
2031	11,747,774	700,000				122,887,926	135,335,700	548,908,425	7.0%
2032	12,217,685	700,000				131,891,515	144,809,200	459,569,613	7.0%
2033	12,706,392	700,000				140,815,408	154,221,800	353,482,748	6.5%
2034	13,214,648	700,000				150,331,552	164,246,200	229,414,893	6.5%
2035	13,743,234	700,000				85,311,153	99,754,387	85,311,153	-39.3%
2036	14,292,963	700,000					14,992,963	0	-85.0%

Appropriation payments assumed to be made on July 1 of each fiscal year

Normal cost assumed to increase 4% per year

Assumed expenses of \$825,000

FY15 amount maintained at level of current funding schedule

Total appropriation increases until FY34 with final amortization payment in FY35